

(d) Surface Freight Forwarders, Shipper Agents and Air Freight Forwarders. Due to the volume of traffic handled by these modes and the area normally serviced, the bond amount is set at \$100,000.

(e) All carriers must submit a letter of intent to file a bond from a surety company with initial application. Upon HQMTMC approval, carriers will provide HQMTMC with a Performance Bond. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The sum of the bond shall be as determined by §619.7 (a) through (c). The bond must be continuous until cancelled. HQMTMC will be notified, in writing, 30 days in advance of any change or cancellation. The Performance Bond secures performance and fulfillment of carrier obligations to deliver DOD freight. It will cover any instance where a carrier cannot or will not deliver DOD freight tendered to them to final destination. This includes default, abandoned shipments, and bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo.

[58 FR 44405, Aug. 20, 1993, as amended at 61 FR 49061, Sept. 18, 1996]

§619.8 Basic Agreement.

Motor carriers, surface freight forwarders, shipper agents and air freight forwarders meeting the qualification requirements of §§619.1 through 619.7 will be required to sign the appropriate Basic Agreement in the appendices to this part.

[61 FR 49061, Sept. 18, 1996]

APPENDIX A TO PART 619—BASIC AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS FOR APPROVAL TO TRANSPORT GENERAL COMMODITIES FOR THE DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of

(Name of Company, Typed or Legibly Printed).

hereinafter called the carrier, as a prerequisite for approval to transport general commodities for the account of the Department of Defense (DOD) and the Military Traffic Management Command (MTMC), (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. This Agreement governs the transportation of all DOD general commodity freight administered by the Directorate of Inland Traffic, MTMC (except used household goods). Noncompliance by the carrier with any provision of this Agreement may result in MTMC taking action against the carrier under the Carrier Performance Program, governed by MTMC Regulation 15-I, and revoking approval to participate in this traffic. If the carrier's approval is revoked, the carrier may be disqualified from further participation in any DOD freight Traffic.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a Transportation Protective Service (TPS) until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or classes A & B explosives, the carrier must first meet any additional requirements in effect at the time.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles, to include Title 49 Code of Federal

Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.

b. No fines, charges, or assessments for overload vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.

4. Operating Authority. Carrier agrees to maintain valid motor common carrier operating certificates for its scope of operations. Any carrier found to be involved in brokerage, as defined by the Interstate Commerce Commission (ICC), of DOD freight traffic will have its approval revoked.

5. Insurance.

a. Minimum public liability insurance requirements are prescribed in title 49 of the Code of Federal Regulations (CFR) 5387.9. Carrier agrees to ensure that the ICC is provided proof of their public liability insurance, in the form of a BMC 91 or 91-X, or MCS 90, in accordance with sections 29 and 30 of the Motor Carrier Act of 1980. Further, the motor carrier agrees to provide MTMC with a certificate of insurance form. The certificate holder block of the form will indicate that MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of surety companies, Public liability insurance Interstate Carriers.

(1) The carrier agrees to also file with MTMC proof of: \$750,000 per vehicle for property (excluding hazardous) and \$1,000,000 per vehicle for oil, hazardous wastes, hazardous materials and hazardous substances defined in 49 Code of Federal Regulations (CFR) 5171.8 and listed in 49 CFR 5172.101.

(2) Public liability insurance Intrastate Carriers—Public Liability Insurance shall be that as required by the state, except that for deregulated states, public liability shall be the same as that required of interstate carriers.

(3) Cargo insurance. Cargo insurance in the minimum of \$150,000 for loss and damage of government freight per vehicle and/or \$20,000 per vehicle transported (e.g., automobile transporters or vehicles in haulaway service) must be maintained. Perishable carriers will maintain, as a minimum, cargo insurance in the amount of \$80,000 and bulk petroleum carriers will maintain \$25,000.

b. The insurance, carried in the name of the carrier, will be in force at all times while this Agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer to no-

tify MTMC prior to any performance of service for the carrier. Changes, renewals, and cancellation notices must also be sent to MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD re-procurement costs as a result of carrier default, abandoned shipments, or bankruptcy. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until cancelled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the Performance Bond before the Tender of Service will be accepted.

b. The sum of the bond will be determined as follows.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5% of their total DOD revenue, taken from the Freight Information Systems Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed as both origins and destinations served.

1 state (including intrastate)—\$25,000;

2 to 3 states—\$50,000; and

4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent revenue.

c. Bulk fuel carriers and Perishable carriers will be required to submit a \$25,000 Performance Bond.

d. Local drayage and commercial zone carriers are exempt from the bond requirement.

e. If carrier has secured the Performance Bond as a result of qualifying under Ammunition and Explosive, Classes A and B program or hazardous materials (other than ammunition and explosives, classes A and B)

program no additional Performance Bond is required.

7. Safety.

a. Carrier will not have an "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and, if it is an intrastate motor carrier, with the appropriate state agency. The carrier further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees. The inspection may include in-transit surveillance of vehicles and drivers. The carrier agrees to provide evidence that fulfills the requirement set forth in 49 Code of Federal Regulation parts 390 thru 396. Inspection of carrier equipment, drivers' records, route plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Upon request, the carrier agrees to furnish sufficient information to permit MTMC to verify or inspect carrier and driver records.

b. The carrier agrees to have in place a company-wide safety management program. Carrier safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives.

c. The carrier agrees to notify, within 24 hours, the consignor and consignee named by the Government Bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence, and other pertinent accident details. When requested, carrier agrees to furnish MTMC a copy of accident reports submitted to the Department of Transportation on Form MCS 50-T (Property).

8. Drivers Requirement.

a. The carrier agrees to ensure that any driver used by the carrier to transport DOD freight possesses a valid commercial driver's license (in compliance with Federal Commercial Motor Vehicle Safety Act of 1986) issued by his or her state of domicile. Drivers must have, at a minimum, 1 year of driving experience driving equipment similar to that used to transport DOD freight, or have proof of graduation from an accredited trade truck motor driving school, operating the aforementioned equipment.

b. The carrier agrees to further ensure that driver carry a company picture identifica-

tion card to verify affiliation with the carrier named on the Government Bill of Lading.

9. Equipment. The carrier is prohibited from using trip-leased equipment or drivers, except upon prior approval from MTMC. Leases of less than 30 days are considered trip-leases. In order to trip-lease, a carrier must apply for approval under MTMC's trip-lease program.

10. Shipment. The carrier agrees to provide, at no additional cost to the government, the status of any shipment within 24 hours after an inquiry is made. Further, the carrier agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. The carrier agrees to accept GBLs and CBLs on which freight charges will be paid by the Government, and be bound by all terms stated on the SF1103, Government Bill of Lading, regardless of the type of bill of lading tendered.

b. The carrier agrees to comply with the documentation prelodgment procedures in effect at Military Ocean Terminals or the installation, when cargo is consigned for further movement overseas. (Prelodgment is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24 hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act). Carrier agrees to promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of a post office box number. Carrier agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MNC Freight Traffic Rules Publication, and supplements thereof, will

be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. Carrier agrees to publish guaranteed through rates for at least 30 days. These rates must be filed with MTMC, HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The carrier must publish all rates, charges, and accessorial services on a MTMC approved form, and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions classifications, practices, or other unreasonable provisions of tariffs/ tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be re-qualified.

16. General Provisions. The carrier agrees to possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board mem-

bers, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, Military Traffic Management Command, ATTN: MTIN-FF, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____
(Typed Name and Title of Carrier Official)

verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____

(Typed Name of Carrier and MC Number)

agree to comply with the terms and conditions contained herein.

Signature of Carrier Official and Title

Date

Carrier Address

Telephone number

24 hr Emergency Number (____, ____)

Interstate Operating Authority Certificate Number—MC

Intrastate Operating Authority

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Certificate Number(s) (Include _____
Issuing State—for example _____
PA—#12345)
Military Traffic Management Command Ac-
knowledgegment/Acceptance
Signature and Title _____
Date Approved: _____

APPENDIX B TO PART 619—AGREEMENT
BETWEEN THE MILITARY TRAFFIC
MANAGEMENT COMMAND AND MOTOR
COMMON CARRIERS GOVERNING THE
TRANSPORTATION OF AMMUNITION
AND EXPLOSIVES, CLASS A AND B
FOR AND ON BEHALF OF THE U.S. DE-
PARTMENT OF DEFENSE

1. The undersigned, who is duly authorized
and empowered to act on behalf of

(Name of Company, Typed or Legibly Print-
ed),

(hereinafter called the carrier), as a pre-
requisite for approval to transport ammuni-
tion and explosives, class A and B, for the ac-
count of the Department of Defense (DOD)
and the Military Traffic Management Com-
mand (MTMC), (hereinafter called the Gov-
ernment), agree to comply with all addi-
tional requirements, terms and conditions as
set forth in this Agreement. This Agreement
governs the transportation of all DOD class
A and B ammunition and explosives ship-
ments administered by the Directorate of In-
land Traffic, MTMC. Further, the carrier
must also be a party to and in full compli-
ance with requirements contained in the
Agreement governing shipments which re-
quire a Transportation Protective Service
(TPS). Noncompliance by the carrier with
any provision of this or any other Agreement
it is a party to will be sufficient grounds for
immediate revocation of the carrier's ap-
proval to participate in the movement of
class A and B ammunition and explosives.
The carrier may also be subject to further
action under the Carrier Performance Pro-
gram, governed by MTMC Regulation 15-1,
which could result in nationwide disquali-
fication on all DOD freight shipments.

2. Approval and Revocation.

a. Carrier understands that its initial ap-
proval and retention of approval are contin-
gent upon establishing and maintaining, to
MTMC's satisfaction sufficient resources to
support its proposed scope of operations and
services. Sufficient resources include the
equipment, personnel, facilities, and finances
to handle the traffic anticipated by DOD/
MTMC under the carrier's proposed scope of
operations in accordance with the service re-
quirements of the shipper.

b. The carrier understands that MTMC
may revoke approval at any time upon dis-

covery of grounds for ineligibility or dis-
qualification.

c. In addition to the initial evaluation, the
carrier agrees that it will cooperate with
MTMC follow-up evaluations at any time
subsequent to signing this Agreement to
confirm continued eligibility.

d. The carrier certifies that neither the
owners, company, corporate officials, nor
any affiliation or subsidiary thereof are cur-
rently debarred or suspended, or disqualified
by a MTMC General Freight Board, or placed
in non-use by MTMC from doing business
with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all appli-
cable Federal, State, municipal, and other
local laws and regulations governing the safe
transportation and storage of ammunition
and explosives to include Title 49 Code of
Federal Regulations (CFR) 177 and 386
through 397. Provisions for exempt intracity
operations as defined in 49 CFR will not
apply to the transportation of explosives for
the DOD. Intrastate carriers are required to
comply with all applicable state or federal
regulations, whichever are more stringent.

b. No fines, charges, or assessments for
overload vehicles or other violations of ap-
plicable laws and regulations will be passed
to or be paid by any agency of the Federal
Government.

4. Operating Authority. Carrier agrees to
maintain valid motor common carrier oper-
ating certificates for its scope of operations
which is not restricted against the handling
and transport of hazardous materials or am-
munition and explosives, class A and B. Any
carrier found to be, in fact, involved in the
brokerage, as defined by the Interstate Com-
merce Commission (ICC), of DOD freight
traffic will have its approval revoked.

5. Insurance.

a. Minimum public liability insurance re-
quirements are prescribed in Title 49 of the
Code of Federal Regulations (CFR) 5387.9
Carrier agrees to ensure that the ICC is pro-
vided proof of their public liability insur-
ance, in the form of a BMC 91 or 91-X, or
MCS 90, in accordance with Sections 29 and
30 of the Motor Carrier Act of 1980. Further,
the motor carrier will provide MTMC with a
certificate of insurance form. The certificate
holder block of the form will indicate that
MTMC, 5611 Columbia Pike, Falls Church,
Virginia 22041-5050, ATTN: MTIN-FF, will be
notified in writing, 30 days in advance of any
change or cancellation. The deductible por-
tion will be shown on the certificate. The in-
surance underwriter must have a policy-
holder's rating in the Best's Insurance
Guide, listed in the Fiscal Service Treasury
Department Circular 570, Listing of Surety
Companies.

b. The carrier agrees to also file with
MTMC proof of:

(1) Public liability insurance. Interstate and Intrastate carriers \$5,000,000 per vehicle.

(2) Cargo insurance. Cargo insurance in the minimum of \$150,000 for loss and damage of government freight per vehicle.

c. The insurance, carried in the name of the carrier, will be in force at all times while this Agreement is in effect or until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer to notify MTMC prior to any performance of service by the carrier. Changes, renewals, and cancellations notices must also be sent to MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD re-procurement costs as a result of carrier default, abandoned shipments, or bankruptcy. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until cancelled. MTMC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the Performance Bond before the Tender of Service will be accepted.

b. The sum of the bond will be determined as follows.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a Performance Bond in the amount of 2.5% of their total DOD revenue taken from the Freight Information Systems Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed as both origins and destinations served.

1 state (including intrastate)—\$25,000;
2 to 3 states—\$50,000; and
4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond require-

ment will change from area of service to percent of revenue.

c. If carrier has secured the Performance Bond as a result of qualifying under the general commodity program or hazardous materials (other than ammunition and explosives, classes A and B) program, no additional Performance Bond is required.

7. Safety and Security.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional", "insufficient information", or "not rated" will not be accepted. The carrier further agrees to permit unannounced safety and security inspections of its facilities, terminals, equipment and operational procedures by DOD civilian or military personnel, or DOD contract employees. Inspection of carrier equipment, drivers' records, route plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Carrier agrees to furnish, on request, driver's Social Security Numbers to verify their security clearances and allow for inspection of carrier/driver records.

b. Carrier agrees to have in place a company-wide safety and security management program which includes specific on-going safety and security programs for each terminal location. Individual terminal programs will encompass planning and execution of safety and security in routine operations, to include emergency responders and planners, and with the local police and fire authority. Carrier programs will incorporate compliance with all applicable Federal, State, and local statutes or requirements. Conformance with other safety standards, such as NFPA Code 498, will be accomplished as much as possible, with compensating measures for deviations. Safety and security programs at the company wide or terminal level may be subject to evaluation by a DOD representative.

c. The carrier agrees to notify, within a reasonable period of time, the consignor and consignee named by the Government Bill of Lading (GBL) of cargo loss, damage, or unusual delay. Carrier also agrees to notify the consignor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier

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agrees to notify the MTMC area command annotated on the GBL and the Army Operations Center (AOC), within one half (1/2) hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE and AOC telephone numbers are as follows:

- Eastern Area: 800-524-0331; New Jersey only: 800-624-1361
- Western Area: 800-331-1822; California only: 800-348-4639
- AOC: 703-687-0213

When requested, Carrier agrees to furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property) or MCS 50-B (Passengers) when DOD classes A and B explosives movements are involved.

d. Carrier agrees to provide the driver(s) transporting protected commodities an emergency telephone number (indicated on the last page of this Agreement) which, when used at any time (24 hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number should be changed. Carrier also agrees to equip the vehicle transporting the material with communications equipment (CB radio, mobile phone, etc.) capable of being used to obtain assistance in an emergency.

e. Carrier agrees to provide the appropriate Transportation Protective Service (TPS) when requested by a DOD shipper. Carrier further agrees to comply with, and meet, all criteria for TPS as set forth in the Agreement governing the transportation of shipments requiring a TPS and also defined in the MTMC Freight Rules Publication No. 1A (MFTRP No. 1A) and reissues thereto.

f. Carrier agrees to execute a DD Form 4415 (Certificate Pertaining to Foreign Interests) as a precondition to providing any TPS for the DOD. Only one DD Form 4415 must be executed by a carrier regardless of the number or type of TPS provided.

g. All copies of the Signature and Tally Record (DD Form 1907), Special Instructions for Motor Vehicle Drivers (DD Form 836), and the Motor Vehicle Inspection (DD Form 626), will be transferred from driver to driver throughout the entire movement of classes A and B explosives shipments. All drivers transporting such shipments must sign the DD Form 1907 and follow the instructions shown on the DD Form 836. Furnishing of the Signature and Tally Record is an integral part of a TPS to be provided by the carrier. Carrier must ensure that each person responsible for the proper handling of the shipment signs the Signature and Tally Record at the time he/she assumes responsibility. All drivers transporting such shipment must sign the Signature and Tally Record. When used with Dual Driver (DD), both drivers are re-

quired to sign the Signature and Tally Record upon original receipt.

8. Driver Requirements.

a. Carrier agrees to comply with all driver requirements contained in paragraph 7 of the Agreement Between the military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

b. Carrier agrees that newly employed drivers will not be allowed to transport class A and B explosives until after background checks required by 49 CFR 391.23 have been successfully completed.

c. Carrier agrees that no driver disqualified under 49 CFR 391.15 will be permitted to operate any vehicle transporting class A and B explosives.

d. The driver of a motor vehicle transporting class A and B explosives must undergo a physical examination and must be certified physically qualified to drive a commercial motor vehicle in accordance with 49 CFR part 391.43. Carrier agrees to have driver screening programs in place to ensure that the provisions of this paragraph are met.

9. Equipment. Carrier agrees to comply with all equipment requirements contained in paragraph 8 of the Agreement Between the Military Traffic Management Command and Motor Common carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

10. Shipment.

a. Carrier agrees to ensure that the shipper-provided placards are displayed in accordance with the general requirements found in 49 CFR 172.504.

b. Carrier is responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any protected commodities shipment tendered to it. The carrier further agrees to provide, at no additional cost to the Government, the status of any shipment within 24 hours after an inquiry is made.

c. Carrier agrees to comply with all shipment requirements contained in paragraph 9 of the Agreement Between the military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

d. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping is an accessorial service.

11. Documentation.

a. The carrier agrees to accept GBLs on which freight charges will be paid by the Government, and bound by all terms stated on the SF1103, Government Bill of Lading.

b. The carrier will comply with the documentation prelodging procedures in effect at Military Ocean Terminals when cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24 hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act). Carrier agrees to promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of a post office box number. Carrier agrees to provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this Agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. The carrier's rates must be on file with MTMC, HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The carrier must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be re-qualified.

16. General Provisions. The carrier must possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with the MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, Military Traffic Management Command, ATTN: MTIN-FF, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to

Department of the Army, DoD

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ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____
(Typed Name and Title of Carrier Official)

verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____

(Typed Name of Carrier and MC Number)

agree to comply with the terms and conditions contained herein.

Signature of Carrier Official and Title _____

Date _____

Carrier Address _____

Telephone Number _____

24 HR Emergency Number _____

Interstate Operating Authority Certificate Number—MC _____

Intrastate Operating Authority _____

Certificate Number(s) (Include Issuing State—for example _____

PA—#12345) _____

Military Traffic Management Command Acknowledgment/Acceptance _____

Signature and Title _____

Date Approved: _____

APPENDIX C TO PART 619—AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND MOTOR COMMON CARRIERS GOVERNING THE TRANSPORTATION OF HAZARDOUS MATERIAL OTHER THAN CLASS A AND B EXPLOSIVES FOR AND ON BE- HALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____

(Name of Company, Typed or Legibly Printed),

(hereinafter called the carrier), as a prerequisite for approval to transport hazardous materials, (other than Class A & B Explosives), as defined in 49 Code of Federal Regulations (CFR) 172.3. Hazardous commodities in bulk include, but not limited to, such items as gasoline, kerosene, lubricating oil, turbine fuel, diesel fuel and fuel oil, for the account of the DOD and the Military Traffic Management Command (MTMC) (herein called the Government), agrees to comply with all requirements, terms and conditions as set forth in this Agreement. If the carrier wishes to participate in DOD traffic which requires a protective service, the carrier must also be a party to and in full compliance with requirements contained in the Agreement governing shipments which require a Transportation Protective Service (TPS). Noncompliance by the carrier with any provision of this or any other Agreement it is a party to will be sufficient grounds for immediate revocation of the carrier's approval to participate in the movement of hazardous materials. The carrier may also be subject to further action under the carrier Performance Program, governed by MTMC Regulation 15-1, which could result in nationwide disqualification on all DOD freight shipments.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction sufficient resources to support its proposed scope of operations and services. Sufficient resources include the equipment, personnel, facilities, and finances to handle the traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at anytime upon discovery of grounds for ineligibility or disqualification. The carrier further understands that it is not authorized to submit tenders for shipments requiring a TPS until it has served DOD in an approved status for 12 continuous months. Prior to being allowed to handle shipments which require a TPS or class A & B explosives, the carrier must first meet any additional requirements in effect at the time.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The carrier certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in

non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Carrier agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations governing the safe, proper, and lawful operation of motor vehicles to include Title 49 Code of Federal Regulations (CFR) 386-397. Intrastate carriers are required to comply with all applicable state or federal regulations, whichever are more stringent.

b. No fines, charges, or assessments for overload vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.

4. Operating Authority. Carrier agrees to maintain valid motor common carrier operating certificates for its scope of operations which is not restricted against the handling and transport of hazardous materials as defined in 49 CFR 172.3. Any carrier found to be, involved in brokerage, as defined by the Interstate Commerce Commission (ICC), of DOD freight traffic will have its approval revoked.

5. Insurance.

a. Minimum public liability insurance requirements are prescribed in Title 49 of the Federal Code of Federal Regulations (CFR) 5387.9 Carrier agrees to ensure that the ICC is provided proof of their public liability insurance, in the form of a BMC 91 or 91-X, or MCS 90, in accordance with Sections 29 and 30 of the Motor Carrier Act of 1980. Further, the motor carrier will provide MTMC with a certificate of insurance form. The certificate holder block of the form will indicate that MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies.

b. The carrier agrees to also file with MTMC proof of:

(1) Interstate Public Liability. Carrier will ensure that its insurance company(s) file with MTMC proof of public liability and property damage insurance for the transportation of hazardous commodities in the minimum amounts prescribed in 49 CFR 387.9.

(2) Intrastate Public Liability. Carrier will ensure that its insurance company(s) file with MTMC proof of insurance which meets the state requirements for public liability and property damage for the transportation of hazardous materials.

(3) Cargo Insurance. Carrier will also file with MTMC proof of \$150,000 per incident minimum cargo insurance for loss and dam-

age of Government freight other than bulk fuel which is set at \$25,000.

c. The insurance, carried in the name of the carrier, will be in force at all times while this Agreement is in effect of until such time as the carrier cancels all tenders. The carrier agrees to ensure that the policies include a provision requiring the insurer to notify MTMC prior to any performance of service by the carrier. Changes, renewals, and cancellation notices must also be sent to MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF. This requirement applies to both interstate and intrastate carriers. Carrier's insurance policy(s) must cover all equipment used to transport DOD freight.

6. Performance Bond.

a. Carrier agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the carrier obligation to deliver DOD freight to destination. It will cover DOD reprourement costs as a result of carrier default, abandoned shipments, or bankruptcy by the carrier. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The bond must be completed on the form provided by MTMC. The bond will be continuous until cancelled. POC will be notified in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company is required with the initial application package. Upon MTMC approval, the carrier agrees to submit the Performance Bond before the Tender of Service will be accepted.

b. The sum of the bond shall be determined as follows.

(1) Carriers having done business in their own name with DOD for 3 years or more will be required to submit a performance bond in the amount of 2.5% of their total DOD revenue, taken from the Freight Information Systems Report (FINS), for the previous 12 months, not to exceed \$100,000 and not less than \$25,000.

(2) New carriers and those carriers having done business in their own name with the DOD for less than 3 years will be required to submit a Performance Bond based on areas of service they offer. Areas of service will be computed at both origins and destinations serve

1 state (including intrastate)—\$25,000;
2 to 3 states—\$50,000; and
4 or more states—\$100,000.

(3) Once a carrier has been doing business with the DOD for 3 years, their bond requirement will change from area of service to percent of revenue.

c. Bulk fuel carriers will be required to submit a \$25,000 Performance Bond.

d. Local drayage and commercial zone carriers are exempt from the bond requirement.

e. If carrier has secured the Performance Bond as a result of qualifying under the general commodity program or class A and B program, no additional Performance Bond is required.

7. Safety and Security.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate. Safety ratings which are "unsatisfactory," "conditional," "insufficient information", or "not rated" will not be accepted. The carrier further agrees to permit unannounced safety and security inspections of its facilities, terminals, equipment and operational procedures by DOD civilian or military personnel, or DOD contract employees. These inspections may include transit surveillance of vehicles and drivers. The carrier agrees to provide evidence that fulfills the requirement set forth in 49 Code of Federal Regulation Parts 390 through 396. Inspection of carrier equipment, drivers' records, route-plans and inspection reports will be permitted during both the pickup and delivery of shipments and in coordination with local police or other authorities while in transit. Carrier also agrees to allow inspection of carrier records and individual driver qualification files. When requested, carrier agrees to provide adequate evidence of an active driver safety, security training and evaluation program. Carrier agrees to furnish, on request, driver's social security Numbers to verify their security clearances and allow for inspection of carrier/driver records.

b. Carrier agrees to have in place a company-wide safety and security management program which includes specific on-going safety and security programs for each terminal location. Individual terminal programs will encompass planning and execution for safety and security in routine operations, to include emergency responders and planners, and with the local police and fire authority. Carrier programs will incorporate compliance with all applicable Federal, State, and local statutes or requirements. Conformance with other safety standards, such as NFPA Code 498, will be accomplished as much as possible, with compensating measures for deviations. Safety and security programs at the company wide or terminal level may be subject to evaluation by a DOD representative.

c. The carrier agrees to notify, within a reasonable period of time, the consignor and consignee named by the Government Bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Carrier also agrees to notify the con-

signor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier agrees to notify the MTMC area command annotated on the GBL and the Defense Logistics Agency (DLA), within one half (1/2) hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE telephone numbers are as follows:

—Eastern Area: 800-524-0331; New Jersey only: 800-624-1361

—Western Area: 800-331-1822; California only: 800-348-4639

—DLA: 800-851-8061

When requested, carrier agrees to furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

d. Carrier agrees to provide the driver(s) transporting hazardous commodities an emergency telephone number (indicated on the last page of this Agreement) which, when used at any time (24 hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number should be changed.

e. Carriers approved to transport DOD hazardous materials requiring TPS agree that no driver disqualified under 49 CFR 391.15 will be permitted to operate any vehicle transporting such commodities.

f. Carriers approved to transport DOD hazardous materials agree to ensure that drivers of a motor vehicle transporting such commodities must undergo a physical examination and must be certified physically qualified to drive a commercial motor vehicle in accordance with 49 CFR 391.43. Carrier also agrees to have driver screening programs in place to ensure that the provisions of this paragraph are met.

8. Drivers Requirements.

a. Carrier agrees to ensure that the driver(s) employed to transport hazardous materials have a minimum of one year of general commodities driving experience (using similar equipment) prior to transporting hazardous commodities, and that its drivers are trained and competent in the movement of these commodities to include an understanding of the following: 49 CFR part 397; instructions on procedures to be followed in the event of a delay; nature of the materials being transported; precautions to be taken in an emergency; written route plans; and shipping paper entries. The carrier will certify that the driver is trained and competent in the movement of hazardous commodities, and proof of certification must be carried in

the vehicle of the unit transporting these commodities.

b. The carrier agrees to further ensure that driver(s) carry a valid commercial motor vehicle operator's license issued by his/her state of domicile, a certificate of physical examination issued during the preceding 24 months, and an employee record card, or similar document, one of which must contain the driver's photograph. The driver(s) must be 21 years of age. The driver(s) must carry a company picture identification card to verify affiliation with the carrier named on the Government Bill of Lading (GBL)

9. Equipment.

a. Trip-leased equipment, with or without drivers, will not be used to transport hazardous materials for the account of the DOD. Exceptions for the use of intermittent or occasional drivers in 49 CFR 391.63 will not apply to any DOD movement. Any equipment, with or without drivers, leased to augment carrier-owned equipment will be on a not less than 90-day noncancellable basis.

b. A copy of the equipment lease agreement must be carried in the vehicle of the unit transporting these commodities. (Facsimile, Xerox, or otherwise reproduced copies, are not acceptable.) Interchange agreements which originate at origin will be considered trip leases and will not be accepted. The lease must be complete at time of pick up and should require no further information to be completed by the driver. Failure to comply with this requirement or attempted abuse of this requirement could result in the carrier's participation in this type traffic to be immediately revoked and up to a nationwide disqualification on all DOD freight shipments should further action under the Carrier Performance Program be deemed appropriate.

c. Carriers approved to transport DOD hazardous materials requiring TPS agree to comply with all equipment requirements contained in paragraph 8 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

10. Shipment.

a. Carrier is responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any hazardous material shipment tendered to it. The carrier further agrees to provide, at no additional cost to the 71 Government, the status of any shipment within 24 hours after an inquiry is made.

b. Carrier agrees to ensure that shipper-provided placards are displayed in accordance with the general requirements found in 49 CFR 172.504 for the transportation of hazardous materials. The carrier further agrees to conform to the requirements found in 49 CFR 177.825 pertaining to the transportation of radioactive materials on designated routes of radioactive materials for which placarding is required. Carrier also agrees to route all other shipments of hazardous commodities in accordance with the provisions of 49 CFR 397.9.

c. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping is an accessorial service.

d. Carriers approved to transport DOD hazardous materials requiring TPS agree to comply with all shipment requirements contained in paragraph 9 of the Agreement Between the Military Traffic Management Command and Motor Common Carriers Governing the Transportation of Shipments Which Require a Transportation Protective Service (TPS) for and on Behalf of the U.S. Department of Defense.

11. Documentation.

a. The carrier agrees to accept GBLs and CBLs on which 73 freight charges will be paid by the Government, and bound by all terms stated on the SF1103, Government Bill of Lading, regardless of the type of bill of lading tendered.

b. The carrier agrees to comply with the documentation prelodgment procedures in effect at Military Ocean Terminals when cargo is consigned for further movement overseas. (Prelodgment is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal or the installation prior to delivery of the cargo at the terminal.) Instructions will be provided by the consignor to furnish certain data at least 24 hours in advance of cargo delivery to the terminal.

12. Loss or Damage. The carrier agrees to be liable for loss or damage to cargo in accordance with the provisions of 49 U.S.C. 11707 (the Carmack Amendment to the Interstate Commerce Act). Carrier agrees to promptly settle uncontested claims for loss or damage.

13. Standard Tender of Service.

a. The carrier agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. Carrier understands that MTMC will reject tenders not in compliance with these instructions.

b. Carrier agrees to provide a street address where the company office is located in lieu of a post office box number. Carrier will provide the address prior to or in conjunction with submission of any tenders or other rate schedules. The carrier agrees to also advise MTMC of any change in address prior to

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the effective date of the change. Failure to do so is grounds to discontinue use of the carriers.

c. Carrier understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the standard Tender of Freight services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing carrier will be advised when tenders are removed under these circumstances.

14. Rates.

a. Carrier agrees to transport Government shipments at the lowest tender rate specifically applicable to the department or agency involved.

b. The carrier's rates must be on file with MTMC, HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The agent must publish all rates, charges, and accessorial services on a "Department of Defense standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

15. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, nonuse, or disqualify the carrier for unsatisfactory service subsequent to approval or for any other operating deficiency, or for noncompliance with terms of the Agreement or terms of negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be requalified.

16. General Provisions. The carrier agrees to possess a valid Standard Carrier Alpha Code (SCAC). When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocations of carriers approval and their participation in movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to: Commander, Military Traffic Management Command, ATTN: MTIN-FF, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

20. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure that the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____
(Typed Name and Title of Carrier Official)

verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____

(Typed Name of Carrier and MC Number)

agree to comply with the terms and conditions contained herein.

Signature of Carrier Official and Title _____

Date _____
 Carrier Address _____
 Telephone Number _____
 24 Hr Emergency Number _____
 Interstate Operating Authority Certificate
 Number—MC _____
 Intrastate Operating Authority _____
 Certificate Number(s) (Include Issuing
 State—for example _____
 PAI—#12345) _____
 Military Traffic Management Command Ac-
 knowledge/Signature and _____
 Title _____
 Date Approved: _____

APPENDIX D TO PART 619—AGREEMENT
 BETWEEN THE MILITARY TRAFFIC
 MANAGEMENT COMMAND AND MOTOR
 COMMON CARRIERS GOVERNING THE
 TRANSPORTATION OF SHIPMENTS
 WHICH REQUIRE A TRANSPORTATION
 PROTECTIVE SERVICE (TPS) FOR AND
 ON BEHALF OF THE U.S. DEPART-
 MENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____

(Name of Company, Typed or Legibly Printed)

(hereinafter called the carrier), as a prerequisite for approval to transport classified materials, protected and sensitive material, weapons and ammunition, munitions or other hazardous material as defined in 49 Code of Federal Regulations (CFR) 172.3 which are designated sensitive by the U. S. Department of Defense (DOD), (hereinafter referred to as "protected commodities"), which require a Transportation Protective Service (TPS) for the account of the DOD and the Military Traffic Management Command (MTMC) (hereinafter called the Government), agree to comply with all additional requirements, terms and conditions as set forth in this Agreement. Carrier further acknowledges that it is in full compliance with the basic qualification standards either for general commodities, hazardous materials (other than class A and B explosives), or class A and B ammunition and explosives, has executed the appropriate MTMC agreement, and is required to maintain and will maintain in a current status, all basic requirements, in addition to requirements established by this Agreement. Noncompliance by the carrier with any provision of this Agreement will be sufficient grounds for immediate revocation of the carrier's approval to participate in the movement of protected commodities which require a TPS. The carrier may also be subject to further action under the Carrier Performance Program as set forth in MTMC Regulation 15-1, Transportation and Travel, Procedure for Dis-

qualifying and Placing Carriers in Non-Use, which could result in nationwide disqualification on all DOD freight shipments.

2. Approval and Revocation.

a. Carrier understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction sufficient resources to support its proposed scope of operations and services. Sufficient resources include the equipment, personnel, facilities, and finances to handle the traffic anticipated by DOD/MTMC under the carrier's proposed scope of operations in accordance with the service requirements of the shipper.

b. The carrier understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification.

c. In addition to the initial evaluation, the carrier agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. Carrier agrees to execute a DD Form 4415 (Certificate Pertaining to Foreign Interests) as a precondition to providing any TPS for the DOD. Only one DD Form 4415 must be executed by a carrier regardless of the number or type of TPS provided.

e. Carrier agrees to allow a National Agency Check (NAC) on all management and operational personnel involved in the performance of Dual Driver Protective Service with National Agency Checks (DN). The results of the NAC must be favorable as determined by MTMC under DOD criteria as a precondition to the carrier providing Satellite Monitoring (SM) with DN. Management personnel include: owners (including partnership where applicable), principal deputies, board members (where applicable), and company managers responsible for liaison with DOD operations. Operational personnel include: drivers, handlers, and terminal and security personnel hired permanently or temporarily by the company to protect the DOD cargo under SM with DN.

f. Carrier providing Protective Security Service (PS) and/or Security Escort Vehicle Service (SE) accompanying a PS shipment must have been cleared by the Defense Investigative Service (DIS) under the DOD Industrial Security Program.

3. Lawful Performance. Carrier agrees it will comply with all rules, regulations and requirements set forth in any and all agreements which may be applicable to the shipment/commodity transported requiring a TPS.

4. Agreements. When applicable, carrier agrees to execute a separate agreement with MTMC governing the transportation of hazardous materials, ammunition and explosives, or Class A and B explosives, as defined in 49 CFR part 173.

5. Security.

a. Carrier agrees to designate a "qualified carrier representative" when handling shipments requiring a TPS. This representative will be employed by the carrier, or the terminal involved, aware of the sensitivity of the shipment, knowledgeable of the safety, security and emergency procedures to be followed, authorized and capable of moving a transportation conveyance and, when providing PS, cleared by DIS.

b. Carrier agrees to ensure that trailers containing protected commodities are always connected to tractors during shipment except when stopped at a DOD activity for loading or unloading, a carrier's terminal for servicing, a carrier-designated point where driver(s) or qualified carrier representative maintains continuous surveillance over the shipment, or a qualified safe haven-or refuge location.

c. When requested by the shipper for reasons of security, carrier agrees to cover the shipment with a carrier-provided tarpaulin. Protective tarping for security reasons is an accessorial service.

6. Safety.

a. A "satisfactory" safety rating will be maintained with the Federal Highway Administration, Department of Transportation and/or with the appropriate state agency or commission in the case of intrastate transport. Safety ratings which are "unsatisfactory," "conditional," "insufficient information," or "not rated" will not be accepted.

b. Carrier agrees to notify the consignor and the consignee named on the GBL immediately by telephone of an accident, incident or significant delay. The information to be reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence and other pertinent accident details. Carrier will notify the MTMC area command annotated on the GBL within one half (1/2) hour after notification of the consignor and consignee, and provide status updates as required. The MTMC HOTLINE telephone numbers are as follows:

—Eastern Area: 800-524-0331; New Jersey only: 800-624-1361

—Western Area: 800-331-1822; California only: 800-348-4639 When requested, carrier will furnish MTMC a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

c. Carrier agrees to provide the driver(s) transporting protected commodities an emergency telephone number (indicated on the last page of this Agreement) which, when used at any time (24 hours a day, 7 days a week), will reach a qualified carrier representative who will be able to provide information and assistance. MTMC will be immediately notified if this telephone number should be changed. Carrier also agrees to equip the vehicle transporting the material

with communications equipment (CB radio, mobile phone, etc.) capable of being used to obtain assistance in an emergency.

7. Driver Requirements. a. Carrier agrees to ensure that the driver(s) employed to transport protected commodities requiring a TPS be 21 years of age and have a minimum of one year of experience driving tractor/trailer equipment under various driving conditions.

b. Carrier agrees to ensure that the driver(s) employed to transport protected commodities requiring a TPS carry a valid motor vehicle operator's license issued by his/her state of domicile, a certificate of physical examination issued during the preceding 24 months, and an employee record card, or similar document, one of which must contain the driver's photograph.

c. Carrier agrees to ensure driver(s) will carry a company picture identification card to verify affiliation with the carrier named on the Government Bill of Lading (GBL). The driver identification requirements for those carriers cleared to handle SECRET shipments will be in accordance with Paragraph 5-410 of the DOD Industrial Security Manual (DOD 5220.22-M) and Paragraph 11a(10) of the Carrier Supplement to the DOD Industrial Security Manual (DOD 5220.22-C).

8. Equipment. a. Trip-leased equipment, with or without drivers, will not be used to transport protected commodities for the account of the DOD. Exceptions for the use of intermittent or occasional drivers in 49 CFR 391.63 will not apply to any DOD movement. Any equipment, with or without drivers, leased to augment carrier-owned equipment will be on a not less than 90-day noncancellable basis.

b. A copy of the equipment lease agreement must be carried in the vehicle of the unit transporting these commodities. (Facsimile, Xerox, or otherwise reproduced copies, are not acceptable.) Interchange agreements which originate at origin will not be accepted. The lease must be complete at time of pick up and should require no further information to be completed by the driver. Failure to comply with this requirement or attempted abuse of this requirement could result in the carrier's participation in this type traffic to be immediately revoked and up to nationwide disqualification on all DOD freight shipments should further action under the Carrier Performance Program be deemed appropriate.

9. Shipment. a. Carrier agrees to provide the appropriate TPS when requested by a DOD shipper. Carrier further agrees to perform the TPS as defined in the applicable Military Traffic Management Command Freight Traffic Rules Publication (MFTRP No. 1A) or reissues thereto. A TPS is any one of the following services or any combination thereof:

—DOD Constant Surveillance Service (CS)

- Dual Driver Protective Service (DD)
- Dual Driver w/National Agency Check Protective Service (DN)
- Motor Surveillance Service (MS)
- Protective Security Service (PS)
- DTTS Satellite Motor Surveillance Service (SM)
- Security Escort Vehicle Service (SE)

b. Carrier agrees that all shipments of protected commodities D14 and/or PS will only be moved in direct single line-haul service. Transportation involving an interchange service may be used, however, if the shipment is under DD or CS.

c. Carrier agrees to provide exclusive use of vehicle or dromedary service for all shipments requiring SM with DN and/or PS. The motor vehicle or dromedary furnished will be devoted exclusively to the transportation of the tendered shipment without seal or lock breakage, and without transfer of jading for the convenience of the carrier.

d. Carrier agrees to maintain an Signature and Tally Record (ST) (DD Form 1907) for all shipments of protected commodities requiring a TPS. Furnishing of the ST is an integral part of a TPS to be provided by the carrier. Carrier agrees to ensure that each person responsible for the proper handling of the shipment signs the ST at the time he/she assumes responsibility. All drivers transporting such shipment must sign the ST. When used with DD, both drivers are required to sign the ST upon original receipt.

e. Carrier agrees to be responsible for shipments from origin to ultimate destination. The carrier also remains responsible for shipments placed in a safe haven or refuge location. Carrier agrees not to disclose any information to unauthorized persons concerning the nature, kind, quantity, destination, consignee or routing of any protected commodities shipment tendered to it. The carrier further agrees to provide, at no additional cost to the Government, the status of any shipment within 24 hours after an inquiry is made.

10. Carrier Performance. Carrier agrees that carrier's equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The carrier fully understands its obligation to remain current in its knowledge of service standards. The carrier accepts the Government's right to revoke approval, declare ineligible, nonuse, or disqualify the carrier for unsatisfactory service subsequent to approval or for any other operating deficiency, or for noncompliance with terms of the Agreement or terms of negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates,

charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/ tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If a carrier is removed or disqualified for 6 months or more, it will have to be requalified.

11. Terms of the Agreement. a. The terms of this Agreement will be applicable to each shipment.

b. This agreement shall be effective from the date of approval by MTMC, until terminated. Termination is effective upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The carrier agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and carrier name. Carrier understands that failure to notify MTMC shall be grounds for immediate revocation of the carrier's approval and their participation in the movement of DOD freight.

12. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

13. Inquiries. Inquiries may be referred to: Commander, Military Traffic Management Command, ATTN: MTIN-FF, 5611 Columbia Pike, Falls Church, Virginia 22041-5050.

14. Carrier Acknowledgment and Acceptance. The certifying carrier official agrees to ensure the appropriate company officials and employees are familiar with the requirements, terms and conditions of this Agreement and are in full compliance with the applicable provisions herein. Any information found to be falsely represented in the Motor Carrier Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

I, _____ (Typed Name and Title of Carrier Official), verify under penalty of perjury under the laws of the United States of America, that the information contained in the carrier qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000

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or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____ (Typed Name of Carrier and MC Number) agree to comply with the terms and conditions contained herein.

Signature of Carrier Official and Title _____

Date _____

Carrier Address _____

Telephone Number _____

24 Hr Emergency Number _____

Interstate Operating Authority Certificate Number-MC _____

Intrastate Operating Authority _____

Certificate Number(s) (Include) _____

Issuing State—for example—PA—#12345)

Military Traffic Management Command Acknowledgment/Acceptance Signature and Title _____

Date Approved: _____

APPENDIX E TO PART 619—AGREEMENT
BETWEEN THE MILITARY TRAFFIC
MANAGEMENT COMMAND SURFACE
FREIGHT FORWARDERS GOVERNING
THE TRANSPORTATION OF GENERAL
COMMODITIES FOR AND ON BEHALF OF
THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____, (Name of Forwarder, Typed or Legibly Printed) hereinafter referred to as the forwarder, as a prerequisite for consideration for participation in the transport of general commodities as an exempt surface freight forwarder, for the U.S. Department of Defense (DOD), agree to comply with all requirements, terms and conditions as set forth in this Agreement. Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of the forwarder's privilege to participate in the movement of DOD freight. For the purpose of this Agreement, a surface freight forwarder is defined as a person or company who acts as a common carrier, that is, a carrier which holds itself out to the general public to provide transportation of property for compensation, assembles and consolidates less-than-truckload freight, as defined in the Instruction for preparation of Department of Defense Standard Tender of Freight Services, MT Form 364-4 (and revisions thereto), Part II, and uses for the whole or any part of the line-haul transportation the services of regulated motor or rail carriers, breaks bulk, and delivers the less-than truckload freight holding out in its own name and under its own responsibility a through transportation service from point of receipt to destination. Forwarders may participate in truckload movements under ex-

traordinary circumstances, but not on a regular basis nor as their main business.

2. Approval and Revocation. a. Forwarder understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include personnel, facilities, carriers with adequate equipment, and finances to handle the traffic anticipated by DOD/MTMC under the forwarder's proposed scope of operations in accordance with the service requirements of the shipper.

b. The forwarder understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The forwarder further understands that it will not be authorized to participate in any traffic which requires a Transportation Protective Service.

c. In addition to the initial evaluation, the forwarder agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The forwarder agrees and certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance. a. Forwarder agrees to comply with all applicable federal, state, municipal and other local laws and regulations. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to, or be paid by any agency of the Federal Government.

b. The forwarder agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, the company's name, president/vice president's name, operating authority number, corporate office address, telephone number and a designated 24-hour on-call point of contact in the event of an accident or emergency situation. MTMC can direct forwarder not to use specific carriers in the movement of DOD freight shipments.

c. The forwarder further agrees and certifies that it will not use any carrier which has been debarred, suspended by the Government or which has been placed in non-use or disqualified by MTMC from doing business with the DOD for the movement of any DOD freight shipments.

4. Operations. The forwarder agrees and certifies that it is operating as a forwarder as defined herein. If incorporated, evidence of incorporation, bearing the official seal of

the state in which filed, Articles of Incorporation, listing all the officers of the corporation are attached and certified to be true, correct and current.

5. Insurance. a. The forwarder agrees to maintain a minimum of \$1,000,000 public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance must be on file with MTMC, ATTN: MTIN-FF, prior to any performance of service by the forwarder.

b. The insurance, carried in the name of the forwarder, will be in force at all times while this Agreement is in effect or until such time as the forwarder cancels all tenders. The forwarder agrees to ensure that the policies include a provision requiring the insurer to notify MTMC prior to any performance of service by the carrier. The certificate holder block of the form will indicate that MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTIN-FF, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate.

c. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety Companies. self-insurance will not be accepted.

6. Performance Bond. Forwarder agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the forwarder's obligation. It will cover default, abandoned shipments, bankruptcy and repurchase costs. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service, Treasury Department Circular No. 570. The sum of the bond shall be no less than \$100,000. The bond must be completed on the form provided by MTMC and will be continuous until cancelled. MTMC will be notified, in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company is required with the initial application. Upon MTMC approval forwarder agrees to submit the performance bond before the Tender of Service will be accepted.

7. Safety. a. The forwarder agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and if it is an intrastate motor carrier, with the appropriate state agency.

b. Shipments will be delivered in direct service without delay to the destination shown on the Government Bills of Lading unless consignee or consignor directs diversion of the shipment to a new or different

destination. Deliveries will be made during the shipper's normal business hours.

c. The forwarder agrees to not divulge any information to unauthorized persons concerning the nature and movements of any shipment tendered to it.

d. The forwarder agrees to notify within 24 hours, the consignor and consignee named by the Government bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/ destination, GBL/CBL number, shipping paper information, time and place of occurrence, and other pertinent details. Upon request, the forwarder agrees to ensure MTMC is furnished a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

e. The forwarder agrees to have in place a company-wide safety management program. Forwarder safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives. The forwarder further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. Reserved.

9. Equipment. The forwarder agrees to ensure equipment is spotted for loading at the time and place requested. The Government reserves the right to reject the utilization of any equipment placed for loading by the forwarder if it does not, upon inspection, meet specifications and requirements for the particular shipment involved (size, cube, cleanliness, mechanical condition, etc.).

10. Shipment. The Forwarder agrees to provide, at no additional cost to the government, the status of any shipment within 24 hours after an inquiry is made. Further, the forwarder agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation. a. Forwarder agrees to accept Government Bills of Lading on which freight charges will be paid by the Government, and will be bound by all terms and conditions stated thereon.

b. The forwarder agrees to comply with the provisions of documentation prelodging in effect at Military Ocean Terminals which cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to arrival of the cargo at the terminal to permit preparation of the terminal documentation.) Instructions will be provided by the consignees to furnish certain data at least 24-hours in advance of cargo arrival at the terminal.

12. Loss & Damage. The forwarder agrees to be fully liable for delivery of all cargo in the same condition as received at origin, except loss or damage caused by act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Forwarder agrees to settle promptly, claims for loss or damage. The forwarder also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard Tender of Service. a. The forwarder agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. Forwarder understands that MTMC will reject tenders not in compliance with these instructions.

b. Forwarder agrees to publish a street address where the company office is located in lieu of a post office box number. The Military Traffic Management Command must be advised of any change in address. Failure to do so is grounds to discontinue the use of the forwarder.

c. Forwarder understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication, and supplements thereof, will be subject to immediate removal or non-use until corrections are made. The issuing forwarder will be advised when tenders are removed under these circumstances.

14. Rates. a. Forwarder agrees to transport Government shipments at its lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the Government bill of lading.

b. The forwarder agrees to publish through rates guaranteed for at least 30 days. These rates must be filed with MTMC HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The forwarder must publish all rates, charges, and accessorial services on a "Department of Defense standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

c. The forwarder agrees to promptly refund all uncontested overcharges to the Government and authorizes the Government to deduct the amount of overcharges from any amount subsequently found to be due the forwarder.

d. The Government reserves the right to pursue administrative claims directly with forwarders under the Interstate Commerce Act or other authorities.

15. Carrier Performance. a. Forwarder agrees that its performance, and standards of service will conform with its obligations

under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The forwarder fully understands its obligation to remain current in its knowledge of service standards. The forwarder accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the carrier for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR-. If a forwarder is removed or disqualified for 6 months or more, it will have to be re-qualified.

b. Failure or nonperformance by the forwarder with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the forwarder for unsatisfactory service until such time as the forwarder establishes to the satisfaction of DOD that the operating or other deficiency(s) has been corrected.

16. General Provisions. That the forwarder must have a valid Standard Carrier Alpha Code (SCAC) and use it on all DOD billing documents to identify the forwarder. When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement. a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of acknowledgment by the Military Traffic Management Command, until terminated upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

d. The forwarder agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and forwarder name. Forwarder understands that failure to notify MTMC shall be grounds for immediate revocation of the forwarder's approval and their participation in the movement of DOD freight.

18. Additional specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or

added requirements for other types of service and/or commodities.

19. Inquires. Inquiries may be referred to Commander, Military Traffic Management Command, Attention: MTIN-FF, 5611 Columbia Pike, Falls Church, VA 22041-5050.

20. Forwarder Acknowledgment and Acceptance. a. The undersigned forwarder official, by affixing signature hereto, states that he has read and understands the general and specific terms and conditions of service outlined and agrees to provide service in accordance with such terms or conditions. Any information found to be falsely represented in the Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the forwarder, the affiliated companies, division and entities.

Forwarder's Acknowledgment/Acceptance

I, _____ (Typed Name and Title or Forwarder Official) verify under penalty of perjury under the laws of the United States of America, that the information contained in the forwarder qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information, know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____ of, _____ agree (Type Name of Forwarder) agree to comply with the terms and conditions contained herein.

Signature of Forwarder Official and Title —

Date —

Forwarder Address —

Telephone Number ()

24 Hr Emergency Number ()

Military Traffic Management Command Acknowledgment/Acceptance Signature and Title —

Date Approved: —

APPENDIX F TO PART 619—AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND SHIPPER AGENTS GOVERNING THE TRANSPORTATION OF GENERAL COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of _____, (Name of Shipper Agent, Typed or Legibly Printed), a shipper agent, hereinafter referred to as the agent, as a prerequisite for consideration for participation in the transport of general commodities as an exempt shipper agent, for the U.S. Department of Defense (DOD), agree to comply with all requirements, terms and conditions as set forth in this Agreement. Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of the agent's privilege to participate in the movement of DOD freight. For the purpose of this Agreement, an exempt shipper agent is defined as a person or company who for compensation provides a service by acting as an internodal intermediary handling truck or container load shipments. The agent also handles drayage on both ends of the movement and other services performed in a terminal area. The agent may not act in its capacity as a broker when charged with the responsibility of moving DOD freight shipments.

2. Approval and Revocation. a. Agent understands that its initial approval and retention of approval are contingent upon establishing and maintaining, to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resource include personnel, facilities, carriers with adequate equipment, and finances to handle the traffic anticipated by DOD/MTMC under the agent's proposed scope of operations in accordance with the service requirements of the shipper.

b. The agent understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification. The agent further understands that it will not be authorized to participate in any traffic which requires a Transportation Protective Service.

c. In addition to the initial evaluation, the agent agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. The agent agrees and certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended disqualified by a MTMC General Freight Board, or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance. a. The agent agrees to comply with all applicable federal, state, municipal and other local laws and regulations. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to, or be paid by any agency of the Federal Government.

b. The agent agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, the company's name, president/vice president's name, operating authority number, corporate office address, telephone number and a designated 24-hour on-call point of contact in the event of an accident or emergency situation. MTMC can direct agent not to use specific carriers in the movement of DOD freight shipments.

c. The agent further agrees and certifies that it will not use any carrier which has been debarred, suspended by the Government or which has been placed in non-use or disqualified by MTMC from doing business with the DOD for the movement of any DOD freight shipments.

4. Operations. The agent agrees and certifies that it is operating as a shipper agent as defined herein. If incorporated, evidence of incorporation, beading the official seal of the state in which filed, Articles of Incorporation, listing all the officers of the corporation are attached and certified to be true, correct and current.

5. Insurance. a. The agent agrees to maintain a minimum of \$1,000,000 public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance must be on file with MTMC, ATTN: MTIN-FF, prior to any performance of service by the agent.

b. The insurance must be carried in the name of the agent and will be in force at all times while this Agreement is in effect or until such time as the agent cancels all tenders. The agent agrees to ensure that the policies include a provision requiring the insurer to notify MTMC prior to any performance of service by the carrier. Changes, renewal and cancellation notices must also be sent to MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MT-INFF. The Government will be given 30 days notice prior to any cancellation or material changes in insurance coverages.

c. The insurance underwriter must have a policyholder's rating in the Best's Insurance Guide, listed in the Fiscal Service. Treasury Department Circular 570, Listing of Surety

Companies. Self-Insurance will not be accepted.

6. Performance Bond. Agent agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the agent's obligation. It will cover default, abandoned shipments, bankruptcy and reprocurement costs. The bond will not be utilized for operational problems such as late pick up or delivery, excessive transit time, refusals, no shows, improper/inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service, Treasury Department Circular No. 570. The sum of the bond shall be no less than \$100,000. The bond must be completed on the form provided by MTMC and will be Continuous until cancelled. MTMC will be notified, in writing, 30 days in advance of any change or cancellation. A letter of intent by the surety company is required with the initial application. Upon MTMC approval agent will submit the Performance Bond before the Tender of Service will be accepted.

7. Safety. a. The agent agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Highway Administration, Department of Transportation, and if it is an intrastate motor carrier, with the appropriate state agency.

b. Shipments will be delivered in direct service without delay to the destination shown on the Government Bills of Lading unless consignee or consignor directs diversion of the shipment to a new or different destination. Deliveries will be made during the shipper's normal business hours.

c. The agent agrees not to divulge any information to unauthorized persons concerning the nature and movements of any shipment tendered to it.

d. The agent agrees to notify the consignor and consignee named by the Government Bill of Lading (GBL) or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence, and other pertinent details. Upon request, the agent agrees to ensure MTMC is furnished a copy of accident reports submitted to Department of Transportation on Form MCS 50-T (Property).

e. The agent agrees to have in place a company-wide safety Management program. Agent safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives. The agent further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. Reserved.

9. Equipment. The agent agrees to ensure equipment is spotted or loading at the time and place requested. The Government reserves the right to reject the utilization of any equipment placed for loading by the agent if it does not, upon inspection, meet specifications and requirements for the particular shipment involved (size, cube, cleanliness, mechanical condition, etc.).

10. Shipment. The agent agrees to provide, at no additional cost to the government, the status of any shipment within 24 hours after an inquiry is made. Further, the agent agrees to not divulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation. a. Agent agrees to accept Government bills of lading on which freight charges will be paid by the Government, and will be bound by all terms and conditions stated thereon.

b. The agent agrees to comply with the provisions of documentation prelodging in effect at Military Ocean Terminals which cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents which identifies the shipment to the Military Ocean Terminal prior to arrival of the cargo at the terminal to permit preparation of the terminal documentation.) Instructions will be provided by the consignees to furnish certain data at least 24-hours in advance of cargo arrival at the terminal.

12. Loss & Damage. The agent agrees to be fully liable for delivery of all cargo in the same condition as received at origin, except loss or damage caused by act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Agent agrees to settle promptly, claims for loss or damage. The agent also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard Tender. a. The agent agrees to comply with the preparation and filing instructions and applicable freight traffic rules publications issued by MTMC. The agent understands that MTMC will reject tenders not in compliance with these instructions.

b. Agent agrees to publish a street address where the company office is located in lieu of a post office box number. The Military Traffic Management Command must be advised of any change in address. Failure to do so is grounds to discontinue the use of the agent.

c. Agent understands that tenders inadvertently accepted and distributed for use and not in compliance with this agreement, the provisions contained in the Standard Tender of Freight Services (MT Form 364-R), or the applicable MTMC Freight Traffic Rules Publication MFTRP No. 1A, and supplements thereof, will be subject to immediate removal or non-use until corrections

are made. The issuing agent will be advised when tenders are removed under these circumstances.

14. Rates. a. Agent agrees to transport Government shipments at its lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the Government bill of lading.

b. The agent agrees to publish through rates guaranteed for at least 30 days. These rates must be filed with MTMC, HQ, Eastern Area, ATTN: MTE-IN, Bayonne, New Jersey 07002-5302. The agent must publish all rates, charges, and accessorial services on a "Department of Defense Standard Tender of Freight Services", MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

c. The agent agrees to promptly refund all uncontested overcharges to the Government and authorizes the Government to deduct the amount of overcharges from any amount subsequently found to be due the agent.

d. The Government reserves the right to pursue administrative claims directly with agents under the Interstate Commerce Act or other authorities.

15. Carrier Performance. a. Agent agrees that its performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Management Regulation (DTMR) and this Agreement. The agent fully understands its obligation to remain current in its knowledge of service standards. The agent accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the agent for unsatisfactory service for any operating deficiency, noncompliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs/tenders. Rules governing the Carrier Performance Program are found in MTMC Regulation 15-1, and Army Regulation 55-355, DTMR. If an agent is removed or disqualified for 6 months or more, it will have to be re-qualified.

b. Failure or nonperformance by the agent with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the agent for unsatisfactory service until such time as the agent establishes to the satisfaction of DOD that: the operating or other deficiency(s) has been corrected.

16. General Provisions. That the agent must agree to have a valid Standard Carrier Alpha Code (SCAC) and use it on all DOD billing documents to identify the agent.

Department of the Army, DoD

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When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement. a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of acknowledgment by the Military Traffic Management Command, until terminated upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee by the Government of any particular volume of traffic.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries may be referred to Commander, Military Traffic Management Command, Attention: MTIN-FF, 5611 Columbia Pike, Falls Church, VA 22041-5050.

20. Agent Acknowledgment and Acceptance. a. The undersigned official, by affixing signature hereto, states that he has read and understands the general and specific terms and conditions of service outlined and agrees to provide service in accordance with such terms or conditions. Any information found to be falsely represented in the Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the agent, the affiliated companies, division and entities.

Agent's Acknowledgment/Acceptance

I, _____, (Typed Name and Title of Agent Official), verify under penalty of perjury under the laws of the United States of America, that the information contained in the agent qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further I understand the requirements of this Agreement and on behalf of _____, (Typed Name of Agent), agree to comply with the terms and conditions contained herein.

Signature of Agent Official and Title _____

Date _____

Address _____

Telephone Number (_____) _____

24 Hr Emergency Number (_____) _____

Military Traffic Management Command Acknowledgment/Acceptance Signature and Title _____

Date Approved: _____

APPENDIX G TO PART 619—AGREEMENT BETWEEN THE MILITARY TRAFFIC MANAGEMENT COMMAND AND AIR FREIGHT FORWARDERS GOVERNING THE TRANSPORTATION OF GENERAL COMMODITIES FOR AND ON BEHALF OF THE U.S. DEPARTMENT OF DEFENSE

1. The undersigned, who is duly authorized and empowered to act on behalf of:

I, _____
(Name of forwarder, typed or legibly printed)

hereinafter referred to as the Forwarder, as a prerequisite for consideration for participation in the transport of general commodities as an exempt Air Freight Forwarder, for the U.S. Department of Defense (DOD), agree to comply with all requirements, terms and conditions as set forth in this Agreement. Noncompliance with any provision of this Agreement will be sufficient grounds for immediate revocation of the forwarder's privilege to participate in the movement of DOD freight. For the purpose of this Agreement, an Air Freight Forwarder is defined as a person or company who acts as a common carrier. That is, a carrier who holds itself out to the general public to provide transportation of property for compensation, assembles and consolidates less-than-truckload freight, as defined in the Instruction for Preparation of Department of Defense Standard Tender of Freight Services, MT form 364-4 (and revisions thereto), Part II, uses for the whole or any part of the line-haul transportation the services of regulated motor or air carriers, break bulk and delivers the less-than-truckload freight holding out in its own name and under its own responsibility a through transportation service from point of receipt to destination.

2. Approval and Revocation.

a. Forwarder understands that its initial approval and retention of approval are contingent upon establishing and maintaining to MTMC's satisfaction, sufficient resources to support its proposed scope of operations and services. Sufficient resources include equipment, personnel, facilities, and finances to handle traffic anticipated by DOD/MTMC under the Forwarder's proposed scope of operations in accordance with the service requirements of the shipper.

b. The Forwarder understands that MTMC may revoke approval at any time upon discovery of grounds for ineligibility or disqualification.

c. In addition to the initial evaluation, the forwarder agrees that it will cooperate with MTMC follow-up evaluations at any time subsequent to signing this Agreement to confirm continued eligibility.

d. Forwarder agrees and certifies that neither the owners, company, corporate officials, nor any affiliation or subsidiary thereof are currently debarred or suspended, disqualified by a MTMC Carrier Review Board (CRB), or placed in non-use by MTMC from doing business with DOD.

3. Lawful Performance.

a. Forwarder agrees to comply with all applicable Federal, State, municipal, and other local laws and regulations. No fines, charges, or assessments for overloaded vehicles or other violations of applicable laws and regulations will be passed to or be paid by any agency of the Federal Government.

b. The Forwarder agrees to keep current and on file a list of all carriers to be used in the transport of DOD freight shipments. This list will contain, as a minimum, the company's name, president/vice president's name(s), operating authority number, corporate office address, telephone number and a designated 24-hour on call point of contact in the event of an accident or emergency situation. MTMC can direct the Forwarder not to use specific carriers in the movement of DOD freight shipments.

c. Forwarder further agrees and certifies that it will only use carriers that are approved through the Carrier Qualification Program (CQP) to transport DOD freight, and will not use any carrier that had been debarred, suspended by the Government or which has been placed in nonuse or disqualified any MTMC from doing business with the DOD for the movement of any DOD freight shipments.

4. Operations. Forwarder agrees and certifies that it is operating as a forwarder as defined herein. If incorporated, evidence of incorporation, bearing the official seal of the state in which filed, Articles of Incorporation, listing all the officers of the corporation is attached and certified to be true, correct and current.

5. Insurance.

a. The Forwarder agrees to maintain a minimum of \$1 million public liability insurance and \$250,000 cargo insurance for loss and damage of Government freight. A copy of the certificate of insurance must be on file with MTMC, ATTN: MTOP-QQ prior to any performance of service by the forwarder.

b. The insurance, carried in the name of Forwarder, will be in force at all times while this Agreement is in effect or until such time as the Forwarder cancels all tenders. Forwarder agrees to ensure that the policies

include a provision requiring the insurer to notify MTMC prior to any performance of service by the carrier. The certificate holder block of the form will indicate that MTMC, 5611 Columbia Pike, ATTN: MTOP-QQ, Falls Church, VA 22041-5050, will be notified in writing, 30 days in advance of any change or cancellation. The deductible portion will be shown on the certificate.

c. The insurance underwriter must have a policy holder's rating in the Best's Insurance Guide, listed in the Fiscal Service Treasury Department Circular 570, Listing of Surety companies. Self-Insurance will not be accepted.

6. Performance Bond.

a. Forwarder agrees to provide MTMC with a Performance Bond. The bond secures performance and fulfillment of the Forwarder's obligation to deliver DOD freight to destination. It will cover default, abandoned shipments, bankruptcy and reprocurement costs. The bond will not be utilized for operational problems such as late pickup or delivery, excessive transit time, refusals, no shows, improper or inadequate equipment or claims for lost or damaged cargo. The bond must be issued by a surety company listed in the Fiscal Service Treasury Department Circular No. 570. The sum of the bond shall be no less than \$100,000. The bond must be completed on the form provided by MTMC and will be continuous until cancelled. MTMC will be notified, in writing, 30 days in advance of any change or cancellation. A letter of intent (LOI), by the surety company, is required with the initial application. Upon MTMC approval, the Forwarder will submit the performance bond before the Tender of Service will be accepted.

7. Safety.

a. Forwarder agrees not to use any carrier that has an "unsatisfactory" safety rating with the Federal Highway Administration (FHWA), Department of Transportation (DOT), and if it is an intrastate motor carrier, with the appropriate state agency.

b. Shipments will be delivered in direct service without delay to the destination shown on the Government Bill of Lading (GBL) unless consignor or consignee directs diversion of the shipment to a new or different destination. Deliveries will be made during the shipper's normal business hours.

c. Forwarder agrees to not divulge any information to unauthorized persons concerning the nature and movement of any movement of shipment tendered to it.

d. The Forwarder agrees to notify, within 24-hours, the consignor and consignee named by GBL or Commercial Bill of Lading (CBL) of cargo loss, damage, or unusual delay. Information reported will include origin/destination, GBL/CBL number, shipping paper information, time and place of occurrence, and other pertinent details. Upon request, the Forwarder agrees to furnish MTMC a

copy of accident reports submitted to the DOT on Form MCS 50-T (property).

e. Forwarder agrees to have in place a company-wide safety management program. Forwarder safety program will comply with applicable Federal, State and local statutes or requirements. Safety programs at the company-wide or terminal level may be subject to evaluation by DOD representatives. The Forwarder further agrees to permit unannounced safety inspections of its facilities, terminals, equipment, employees, and procedures by DOD civilian, military personnel, or DOD contract employees.

8. [Reserved.]

9. Equipment.

a. Forwarder agrees to ensure equipment is spotted for loading at the time and place requested. Civil Reserve Air Fleet (CRAF) carriers will be utilized to the maximum extent possible for the movement of DOD freight. The Government reserves the right to reject the utilization of any equipment placed for loading by the Forwarder if it does not, upon inspection meet the specifications and requirements for the particular shipment involved (sizes, cube, cleanliness, mechanical condition, etc.).

10. Shipment.

a. Further, the Forwarder agrees to not indulge any information to unauthorized persons concerning the nature and movement of any DOD shipment.

11. Documentation.

a. Forwarder agrees to accept GBLs and CBLs on which freight charges will be paid by the Government, and be bound by all terms stated thereon.

b. Forwarder agrees to comply with documentation prelodging procedures in effect at military terminals in which cargo is consigned for further movement overseas. (Prelodging is the submission of advance shipment documents that identify the shipments to the military terminals prior to arrival of the cargo at the terminal to permit preparation of the terminal documentation.) Instructions will be provided by the consignors to furnish certain data at least 24-hours in advance of cargo arrival at the terminal.

12. Loss and Damage.

a. The Forwarder agrees to be fully liable for delivery of all cargo in the same condition as received at origin, except loss or damage caused by an Act of God, public enemy act, omission of shipper, inherent vice or detrimental changes due to nature of commodity, or natural shrinkage. Forwarder agrees to settle promptly, claims for loss or damage. Forwarder also agrees to provide the status of any shipment tendered to them within 24-hours after an inquiry is made.

13. Standard Tender of Service.

a. The Forwarder agrees to comply with the preparation and filing instructions in applicable freight traffic rules publications issued by MTMC. Forwarder understands

that MTMC will reject tenders not in compliance with these instructions.

b. The Forwarder agrees to publish a street address where the company office is located in lieu of post office box number. MTMC must be advised of any change in address. Failure to do so is grounds to discontinue use of the Forwarders.

c. Forwarder understands that tenders inadvertently accepted and distributed for use and not in compliance with this Agreement, the provisions continued in the Standard Tender of Freight Services MT Form 364-R, or the application MTMC Freight Rules Publication, and supplements thereof, will be advised when tenders are removed under these circumstances.

14. Rates.

a. Forwarder agrees to transport Government shipments at the lowest effective charge named in the tender applicable on the commodity transported, whether or not the rate tender is referenced on the GBL.

b. The Forwarder agrees to publish through rates guaranteed for at least 30 days. These rates must be filed with USTRANSCOM. The rates for movement of DOD cargo by air will be filed with the Air Mobility Command (AMC). The Forwarder must publish all rates, changes, and accessorial services on a DOD Standard Tender of Freight Services, MT Form 364-R and must comply with the tender preparation instructions. (Only services annotated with a charge in the tender will be paid by the shipper.)

c. The Forwarder agrees to promptly refund all uncontested overcharges to the Government and authorizes the Government to deduct the amount of overcharges from any amount subsequently found to be due the Forwarder.

d. The Government reserves the right to pursue administrative claims directly with Forwarders under the Interstate Commerce Act (ICC) or other authorities.

15. Carrier Performance.

a. The Forwarder agrees that its equipment, performance, and standards of service will conform with its obligations under Federal, State and local law and regulation as well as with the guidelines found in the Defense Traffic Regulation (DTR) and this Agreement. The Forwarder fully understands its obligation to remain current in its knowledge of service standards. The Forwarder accepts the Government's right to revoke approval, declare ineligible, non-use, or disqualify the Forwarder for unsatisfactory service for any operating deficiency, non-compliance with terms of this Agreement or terms of any negotiated agreements, tariffs, tenders, bills of lading or similar arrangements determining the relationship of the parties, or for the publication or assessment of unreasonable rates, charges, rules, descriptions, classifications, practices, or other unreasonable provisions of tariffs and

tenders. Rules governing the Carrier Performance Program (CPP) are found in MTMC Regulation 15-1, and Army Regulations 55-355 DTMR. If a Forwarder is removed or disqualified for 6 months or more, it will have to be requalify.

b. Failure or nonperformance by the Forwarder with any of the terms or conditions of service will constitute a breach of this Agreement. The Government reserves the right to disqualify the Forwarder for unsatisfactory service until such time as the Forwarder establishes, to the satisfaction of DOD that the operating or other deficiency(ies) have been corrected.

16. General Provisions. That the Forwarder must have a valid Standard Carrier Alpha Code (SCAC) and use it on all DOD billing documents to identify the Forwarder. When a company holding the appropriate authority has operating divisions each with its own unique SCAC, each such division is required to execute a separate agreement with MTMC governing the transportation of protected commodities.

17. Terms of the Agreement.

a. The terms of this Agreement will be applicable to each shipment.

b. This Agreement shall be effective from the date of acknowledgment by the MTMC, until terminated upon receipt of written notice by either party.

c. Nothing in this Agreement will be construed as a guarantee, by the Government, of any volume traffic.

d. The Forwarder agrees to immediately notify MTMC of any changes in ownership, in affiliations, executive officers, and/or board members, and forwarder name. Forwarder understands that failure to notify MTMC shall be grounds for immediate revocation of the Forwarder's approval and their participation in the movement of DOD freight.

18. Additional Specialized Requirements. The terms of this Agreement will not prevent different or additional requirements with respect to negotiated agreements or added requirements for other types of service and/or commodities.

19. Inquiries. Inquiries may be referred to Commander, MTMC, 5611 Columbia Pike, Falls Church, Virginia 22041-5050, ATTN: MTOP-QQ.

20. Forwarder Acknowledgment and Acceptance.

a. The undersigned forwarder official, by affixing signature hereto, states that he has read and understands the general and specific terms and conditions of service outlined and agrees to provide service in accordance with such terms or conditions. Any information found to be falsely represented in the Qualification Form, the attachments or during the qualification procedures, to include additional requirements of this Agreement, shall be grounds for automatic revocation of this Agreement and immediate non-use of the carrier, the affiliated companies, division and entities.

FORWARDER'S ACKNOWLEDGE/ACCEPTANCE

I, _____
(Typed name and title of carrier official)

verify under penalty of perjury, under the laws of the United States of America, that the information contained in the forwarder qualification application packet and this Agreement is true, correct and complete. If representing a company or organization, I certify that I am qualified and authorized to offer this information. I know that willful misstatements or omissions of material facts constitute Federal criminal violations punishable under 18 U.S.C. 1001 by up to 5 years imprisonment and fines up to \$10,000 for each offense, or punishable as perjury under 18 U.S.C. 1621 by fines up to \$2,000 or imprisonment up to 5 years for each offense. Further, I understand the requirements of this Agreement and on behalf of:

(Name of forwarder, typed or legibly printed)
comply with the terms and conditions contained herein.

(Signature of carrier official and title)

(Signature of agent official and title)

Date: _____

Address: _____

Telephone Number: _____

24-Hr. Emergency Number: _____

Military Traffic Management Command
Acknowledgment/Acceptance Signature and
Title: _____

Date Approved: _____

[61 FR 49062, Sept. 18, 1996]